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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
May 30, 1975

MEMORANDUM

SUBJECT: Prospects for Pakistan

Key Points

- Internally, Pakistan probably will remain stable during the next two years.
- Externally, we foresee no major threat to Pakistan's security and territorial integrity in this time frame.

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- President Daoud of Afghanistan will probably avoid an overly aggressive policy toward Pakistan in order to avoid serious dangers to his own regime.
- The Soviet Union will continue to arm and assist India and Afghanistan, but will not seek to promote major instability in Pakistan.

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-- The sudden assassination or incapacitation of Bhutto could markedly change the above predictions. It would create a much less stable situation.

- Likely developments would include: a drawn-out struggle for power in Islamabad; an upsurge of unrest, particularly in the frontier provinces; and perhaps a takeover of the government by the armed forces.

- The armed forces might have difficulty, as they did in the late 1960s, in restoring order to the country.

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- It is also possible that internal pressures in India or Afghanistan could lead those countries to adopt more aggressive policies toward Pakistan.
- Any prolonged period of turbulence would heighten Islamabad's need for support from nations interested in preventing the disintegration of Pakistan.

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Discussion

Domestic Stability

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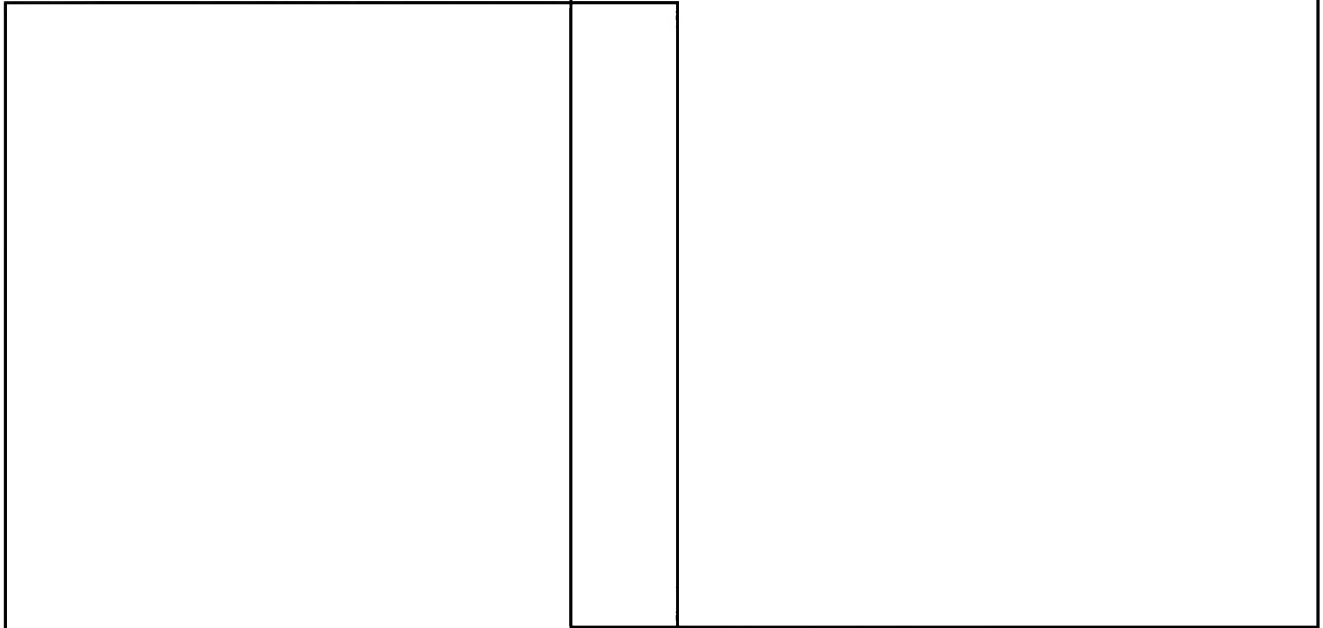
2. Bhutto and his party are less popular in Pakistan's other two provinces, the North-West Frontier Province and Baluchistan. In both provinces, opposition to domination by the central government remains substantial and local branches of the People's Party are not yet well developed. Bhutto, however, has made considerable progress in tightening his hold over these provinces through energetic politicking, [redacted] and adroit use of his government's military, financial and administrative resources.

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3. Disruptive activity, perhaps abetted by neighboring Afghanistan, could increase in these two frontier provinces during the next year or two, but the Pakistani armed forces will probably keep such unrest from reaching unmanageable proportions.

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4. In Baluchistan, there also had been some expectation of a revival this spring of insurgent activity by tribesmen opposed to central government control. So far, however, Baluchistan has remained generally calm. A sizable army presence, political maneuvering by Bhutto's supporters,

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and heavy new government spending on economic development have continued to keep the province relatively quiet.

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5. Local political elements resistant to domination from Islamabad were recently ousted from power by the People's Party in still another area, the semi-autonomous Azad Kashmir region in northern Pakistan. After months of energetic campaigning and political maneuvering, Bhutto's party won elections in mid-May that gave it control over the Azad Kashmir government.

6. The economy: The past few years have been difficult ones economically for Pakistan. Economic problems--inflation (around 25 percent in 1974), rising unemployment, periodic shortages of agricultural inputs including water for power and irrigation, and a lack of new private investment--may have recently begun to cause some erosion in the Bhutto regime's popularity. The urban middle and working classes and students appear increasingly discontented over economic issues, particularly inflation.

7. At the same time, there are some positive signs in Pakistan's economy. There are good prospects for increased wheat production starting next year. Over the longer run, given its prospects for fertilizer production and the harnessing of water resources, Pakistan has the potential to become self-sufficient in food production.

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World market conditions for Pakistani exports are also improving. Bhutto, moreover, appears assured of substantial financial assistance from Islamic oil-producing countries; over \$1 billion has been promised. In fact, his success in obtaining foreign assistance has enabled Pakistan to weather the international recession better than many underdeveloped countries.

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9. The armed forces, still the ultimate arbiter of political power in Pakistan, have remained loyal to the Bhutto regime. Since the debacle of 1971 they have shown little interest in resuming responsibility for governing the country. The US decision last February to lift the embargo on arms sales to South Asia is seen in Pakistan as an important success for Bhutto and has boosted his stock among military officers.

10. Bhutto's sudden death or incapacitation could give rise to serious instability in Pakistan. No other

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politician enjoys widespread national support, and Bhutto has done little to groom a successor. His disappearance could trigger a drawn-out struggle for power among various politicians and perhaps an increase in popular unrest--particularly in the frontier provinces, where dissidents might see new opportunities because of governmental weakness in Islamabad. In such a situation, the armed forces might well decide to resume control of the government. They would not necessarily find it easy, however, to restore stability.

Pakistan and Its Neighbors

11. Although the Indians and Pakistanis continue to view each other as adversaries, we have no solid evidence that either India or its Soviet ally is trying to foment unrest or instability in Pakistan. In our view, neither New Delhi nor Moscow believes its best interests would be served at this time by major turbulence in Pakistan or by its dismemberment. Afghanistan supports efforts by Pathan and Baluchi tribesmen in Pakistan to weaken Islamabad's control over the frontier provinces, but we have no evidence that either Moscow or New Delhi is giving active or direct support to these

Afghan efforts. President Daoud, moreover, is aware that a major confrontation with a militarily superior Pakistan could create very serious problems for his country and his regime.

12. The Pakistanis, for their part, are not likely to initiate hostilities with either the Indians or the Afghans over the next couple of years, although it is conceivable that they might impose a border closing on landlocked Afghanistan if they decide Kabul's meddling in the Pakistani frontier areas has gone too far. Given India's military superiority over Pakistan, Bhutto is unlikely to initiate a major confrontation over Kashmir, the main unresolved Indo-Pakistani problem.

13. Bhutto will continue to attach very high priority to maintaining good relations with Iran, with China and-- to a slightly lesser extent--with the Arab nations and the United States. He will look to all of these countries for further economic assistance and military equipment. Bhutto sees Iran as the emerging military power in the Persian Gulf region, and as a continuing partner which shares Pakistan's interest in containing threats to stability that arise in or around either country.

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14. The USSR: The Soviet Union continues to arm and assist India because it views India as the key country on the subcontinent and as a useful bulwark against China. It continues to arm and assist Afghanistan because it views that country as belonging, for geographic reasons, within the Soviet sphere of influence, and wants a friendly regime there.

15. The Soviets, however, do not seem anxious to create new instability in South Asia. The status quo there generally serves their interests. Moreover, major trouble between countries in the region could create costly, risky new obligations to assist Soviet clients.

16. Although the Soviets presumably remain interested in acquiring greater access to the Arabian Sea, we believe it unlikely that they would seek to promote the disintegration of Pakistan in an attempt to reach this objective. In any case, even if Pakistan were to break apart, the Soviets would not necessarily achieve this goal. India, for example, has opposed naval domination in the region by any great power, including the Soviets.

17. The Soviets would prefer to coax the Bhutto government--which receives substantial Soviet economic

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development assistance--to abandon or dilute its pro-Chinese, pro-US, pro-CENTO orientation in favor of closer Soviet-Pakistani ties. They will not, however, give this objective priority over the maintenance of warm Indo-Soviet relations. They would like to persuade Pakistan to ascribe to the longstanding "Brezhnev plan" for a Soviet-sponsored Asian collective security pact--a concept which Pakistan, like other South Asian countries, views as anti-Chinese in purpose and has therefore been unwilling to endorse.

18. We have no evidence of any firm Soviet offers of military aid to Pakistan in recent years.

19. India: Despite its commitment to the "Simla process", which calls for resolving Indo-Pakistani differences through negotiations, India remains profoundly distrustful of Pakistan. The technical and training assistance India is providing the Afghan armed forces is designed, at least in part, to foster a sense of uneasiness in Islamabad. New Delhi apparently believes that a Pakistani government which continually has to look over its shoulder at Afghanistan will be less able to focus on Indo-Pakistani

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trouble spots such as Kashmir. Similarly, the Indians are fully aware that their May 1974 nuclear test, which demonstrated their ability to develop nuclear weapons should they decide to do so, contributes to Pakistani nervousness.

20. But we do not see any signs that India is planning to move aggressively against Pakistan in the foreseeable future. Although the Indians would like to see Pakistan even weaker militarily than it is now, they are generally satisfied at this time with the status quo in Indo-Pakistani relations; India is now the dominant power on the subcontinent and has the upper hand on Indo-Pakistani issues such as the Kashmir question.

21. The Indians maintain--and we tend to accept--that they have no particular interest in creating instability in Pakistan; they probably recognize that, turbulence in a neighboring state could spread into India, already beset with economic and social problems. Under present foreseeable circumstances the Indians have little or no reason for attempting to seize any portion of Pakistan. They know this would invite a Chinese and perhaps an Iranian reaction, would antagonize a broad range of western and Middle Eastern aid donors, and--if

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successful--would raise all the security and other problems that would accompany an attempt to control a hostile, captive population.

22. We do not anticipate that these Indian positions will change under Mrs. Gandhi's leadership. Furthermore, we expect Mrs. Gandhi to remain in office, although perhaps with a reduced parliamentary majority, after the national elections to be held within the next nine months.

23. We do not view India's efforts to build up its navy and become more active in the Indian Ocean as necessarily a sign of aggressive intentions toward Pakistan or other countries. The Indians claim their own security interests require that they be strong enough to deter "threats" from the sea. They have generally been ambiguous and inconsistent when specifying where they think such threats might come from. The drive to expand the navy may reflect more a desire by New Delhi to attain major power status.

24. Afghanistan: Afghanistan, by contrast, is trying to promote trouble in Pakistan in an effort to end, or at least weaken, Islamabad's control over the frontier provinces.

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The Daoud regime, since taking office in mid-1973, has kept up a steady stream of vituperative anti-Islamabad propaganda, to which Pakistan has responded with equally shrill invective.

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25. President Daoud probably will not, however, launch an all-out effort to wrest the frontier areas away from Pakistan, barring a collapse of internal order and stability in that country or the outbreak of war between Pakistan and India. Daoud knows Pakistan's army is much stronger than Afghanistan's. He probably also realizes that if he provoked a war with Pakistan, he could not count on Moscow or New Delhi to rescue him from disaster, although they would probably furnish some diplomatic and material support.

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Daoud well remembers, moreover, that Afghanistan's confrontation with Pakistan over the frontier issue in the early 1960s led to a border closing that hurt Afghanistan economically and helped topple him from power. Finally, Daoud presumably is aware that Iran would be likely to side with Pakistan in such a confrontation.

The Longer Run

26. Beyond the next two years, it is possible, although by no means certain, that Bhutto's control over the country might start to slip, just as President Ayub's did in the late 1960s. Whether this happens will depend largely on factors that are unpredictable at this time--the state of Pakistan's economy, the success or failure of Bhutto's future political manipulations in the frontier provinces, attitudes toward the government of students and organized labor, and developments in India and Afghanistan.

Military leaders, many of whom have not always trusted or admired Bhutto, might grow tired of having the armed forces fight his political battles. The army's numerous

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Pathan soldiers might balk at taking harsh action against their fellow tribesmen in the frontier region. The military could seize power at some point, but they might not find it easy to restore control over a turbulent situation.

27. Bhutto's unexpected death or incapacitation at any point during this longer time frame would probably have much the same impact as it would have if it occurred during the shorter run (paragraph 10).

28. Any major upsurge in domestic turbulence could cause Bhutto--or a successor government--to seek substantially increased foreign military and economic assistance. In such a situation Islamabad would look to Iran and the Arab oil-producing states for money and military equipment. It would also seek greater Chinese and US aid. It would particularly rely on Iran for assistance against a renewed insurgency in Baluchistan.

29. In return for financial and military support from the Arab countries, Pakistan probably would offer to augment its already substantial military advisory programs in those countries. Pakistani military advisors

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and technicians presumably would also be provided to Iran if it wanted them.

30. Pakistan's dependence on outside powers for help would increase even further if the Soviet Union, India, or Afghanistan were to intervene, either overtly or covertly, in an effort to exacerbate Pakistani instability and promote the country's disintegration.

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Almost any Afghan regime in the late 1970s will probably retain designs on Pakistan's frontier provinces, although a successor to Daoud might not be quite as avid as he has been on this issue.

31. Soviet and Indian policies toward an unstable Pakistan in the late 1970s are less predictable. Those policies will depend to a considerable degree on the state of Moscow's and New Delhi's relationships at the time with other major powers. The existing status quo in South Asia, with Pakistan viable but not capable of threatening India militarily, generally serves the purpose of both India and the USSR.

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32. In the case of India, policy toward Pakistan may be affected by India's domestic situation. Economic and political problems could cause New Delhi to look outside India's borders for adventures that might divert domestic public attention. Pakistan, which the Indians distrust and want to see kept weak, would be a logical target. On the other hand, really acute economic troubles--for example, a succession of poor harvests and consequent severe food shortages--could make it very difficult for India to be assertive toward Pakistan or any other neighbor. In such a situation India would be pre-occupied with its own problems, lacking in financial and material resources for outside adventures, and more dependent than usual on foreign powers that would not look kindly on Indian meddling in Pakistan.

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